

Commissioner Michael O’Rielly
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Utah Education and Telehealth Network Response to “Ex Parte Filing Regarding Overbuild with USF Funding,” By Union Telephone Company (WC RM-11841)

The Utah Education and Telehealth Network (UETN) would like to respond to Union Telephone Company’s “Ex Parte Filing Regarding Overbuild with USF Funding” submitted to Commissioner Michael O’Rielly on July 30, 2019. The project being completed by Strata Networks in Daggett County, Utah is not an overbuild utilizing Universal Service Funds (USF).

The Daggett County Fiber Project Was Not an Overbuild

UETN’s Daggett County School District project with Strata Networks is one of the most unique and important rural educational infrastructure projects in the State of Utah. This project is installing fiber to the remote and rural public schools in Manila and Dutch John that currently have no fiber infrastructure. For years, these schools have been served with limited wireless microwave connections provided by UETN. The wireless microwave service is more expensive and difficult to support over time.

Union Telephone Was Notified of the Project

On October 30, 2015, UETN issued a Request for Proposal (RFP) to serve the public schools in Daggett County with fiber-based broadband services. The RFP was available to any potential service providers to submit a proposal until January 14, 2016, or a total of 76 days. The project was posted publicly on the E-Rate Productivity Center (EPC) portal. Additionally, Union was specifically notified through UETN’s bidding platform, BidSync, on October 30, 2015 and chose not to submit a proposal. After the RFP evaluation was conducted, UETN made an award to Strata Networks for this project in April 2016.

The Competitive Bidding Process Ensures the Best Use of Funds

The current open competitive bidding rules allow entities to obtain the most cost-effective solution for both the applicant and E-rate. These rules, and the review process has been implemented to enforce and require applicants to submit extensive information and answer highly technical questions in order to defend the cost. The competitive bidding process allows carriers, such as Strata Networks and Union Telephone, the opportunity to bid on these projects. The competitive bidding process allows ample opportunity for providers to receive notifications for projects and allows UETN to obtain the best pricing possible for these services.

The Project Will Only Pay for Eligible Services

Union Telephone’s letter also comments on Strata Network’s potential for serving businesses and residents (that are E-Rate ineligible) in the Daggett area. Strata Networks has worked extensively with

USAC to ensure that any ineligible services were clearly delineated and cost allocated,¹ ensuring that E-Rate dollars were not used for ineligible services.

Conclusion

To summarize, UETN strongly feels the comments made by Union Telephone Company are inaccurate. There was no fiber serving these schools, therefore no overbuild occurred. The competitive bidding process insures competition, competitive pricing and communication to all participants. USAC requires cost allocation for ineligible entities. This process is extensive and thorough.

UETN thanks the FCC for the opportunity to respond to these issues and hopes the Commission will use these recommendations to ensure that the E-Rate program continues to allow institutions to seek out the most competitive services to meet their needs.



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¹ <https://www.usac.org/sl/applicants/beforeyoubegin/eligible-services/cost-allocations.aspx>